

## **Overview: Reassignment of Medicare Beneficiaries Receiving the Low-Income Subsidy (LIS)**

CMS is doing everything possible to ensure that beneficiaries receiving the low-income subsidy (LIS) who are being re-assigned in 2007 will have uninterrupted drug coverage and as seamless a transition as possible.

The 250,000 beneficiaries that CMS is randomly reassigning outside their current organization received a letter on blue paper in November indicating that their 2006 plan's premiums are increasing for 2007 and that they will be reassigned to a new plan if they don't tell their current plan they want to stay or join a new plan on their own by December 31, 2006.

CMS encourages all beneficiaries to review the prescription drug plan to which they are being reassigned. If they want to review other options, there are plenty of ways to get personalized assistance – in their community, online, or at 1-800-MEDICARE. If they are going to change – it is important to do so soon. This will help avoid any inconvenience at the pharmacy counter in January.

Overall reassignment figures as of November, 2006 are:

- **LIS-Eligible Beneficiaries Enrolled in Part D in 2006:** 9.5 million beneficiaries currently receive the low-income subsidy (LIS).
- **LIS Beneficiaries Eligible for Reassignment in 2007:** 5.3 million beneficiaries are eligible for re-assignment. LIS beneficiaries who are eligible for reassignment are: currently enrolled in the plan they were automatically enrolled into by CMS in 2006; will continue to receive the low-income subsidy in 2007; and are currently in a plan that is terminating, changing from basic to an enhanced alternative or increasing the premium more than the regional low-income benchmark in 2007. To respect individual choice, Medicare will not reassign 4.2 million LIS beneficiaries who, in 2006, joined plans on their own or switched to different Medicare Prescription Drug Plans than the plan Medicare enrolled them in.
- **LIS-Eligible Beneficiaries Who Will Be Reassigned in 2007:** 1.2 million total beneficiaries will be reassigned in 2007. This includes beneficiaries being reassigned to another plan within the same organization that offers their current level of premium subsidy, beneficiaries who are currently in a plan that is merging or has been bought out by another organization (eg- United acquiring Pacificare) and beneficiaries being moved by CMS to a plan outside their current organization.
- **LIS Beneficiaries CMS will Reassign Outside Their Current Organization in 2007 to Avoid New Premium Liability:** CMS is randomly reassigning 250,000 beneficiaries outside their current organization. Information at the state, county, and zip-code level are available for our partners who are providing outreach assistance to these beneficiaries.

<b>Reassignment of Low-Income Subsidy (LIS) Medicare Beneficiaries</b> As of 11-26- 2006	
<b>Description</b>	<b>Total LIS-Eligible Beneficiaries</b>
<b>(millions)</b>	
<b>Total LIS-Eligible Beneficiaries Enrolled in Part D in 2006</b>	<b>9.47</b>
Less: LIS Beneficiaries Not Currently Enrolled in a PDP that CMS Automatically Enrolled Them In During 2006	4.15
<b>Total LIS Beneficiaries Eligible for Reassignment in 2007</b>	<b>5.32</b>
Less: LIS Beneficiaries that Can Continue in their Current PDP in 2007 with No New Premium Liability	4.15
<b>Total LIS-Eligible Beneficiaries who will be Reassigned in 2007</b>	<b>1.17</b>
Less: LIS Beneficiaries Reassigned within their Current Organization in 2007 to Avoid New Premium Liability	0.92
<b>TOTAL LIS Beneficiaries CMS will Reassign outside their Current Organization in 2007 to Avoid New Premium Liability</b>	<b>0.25</b>

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